GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:989
ANSWERED ON:27.07.2001
NAGATIVE GROWTH BY AUTOMOBILE INDUSTRIES
CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned `Automobile Industry records negative growth in 2000-01` appearing in Financial Express dated April 25,2001;

(b) if so, the facts of the matter reported therein alongwith the reason for slow growth in automobile industry; and

(c) the steps taken by the Government to boost the growth rate of Automobile industry?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) Yes, Sir.

(b) As per the news-item, as compared to the year 1999-2000, there is negative growth in almost every segment of the automobile industry during the Year 2000-01. It is a fact that automotive industry has experienced a negative growth of -2% during the previous year. The negative growth is mainly attributed to the general slowdown in the world economy and Indian economy in particular.

(c) Several measures like reduction in excise duty in respect of passenger cars and two wheelers, enhancement of depreciation rate in respect of commercial vehicles, increase in custom duty on imports on Completely Built Unit (CBU) and second hand vehicles etc. have been announced by the Government in the Budget 2001 and subsequently. These measures coupled with emphasis on infrastructural development are likely to boost the growth of the industry during the current financial year.